From: Steffen Hulegaard
To: Microsoft ATR
Date: 1/24/02 1:26am

Subject: Microsoft Settlement is horribly unfair to everyone but Microsoft

Microsoft is an unmistakable monopoly. Microsoft systematically exploits both economies of scale and economies of scope (so-called network economies) to force free market failure. The marginal cost of software production is zero. That is a novelty for a item of commerce. The strong synergy between one "software" product and the next is a new and uniquely powerful economy of scope (network economy). These economies induce a massive free market failure (for software) and promote the formation of a nasty monopoly. Microsoft is that monopoly.

Even worse, consumers of software products labor under severe informational constraints. They are often not able to rationally judge some of the critical claims made for or against software products. Fear, uncertainty and doubt (FUD) have become incredibly powerful factors in the software markets. Microsoft systematically exploits these information externalities to further restrain the free markets (i.e. to solidify it's monopoly). As if this weren't enough, Microsoft also engages in a wide variety of specifically illegal business practices. Microsoft has been tried and convicted.

The damage to the U.S. economy is huge. As we speak, our leadership in the software industry dissipates as the world moves to open-source software like Linux. Microsoft's monopoly is triple strong ... but the world's consumers are retaliating. Slowly. Steadily. Inexorably. Microsoft can no longer hold back innovation while foisting layers of increasingly expensive, utterly proprietary (addictive), fat, slow, bloated, insecure and buggy software on the world. It is hard to imagine that the basic operating system technology of the 1960's is still missing from the likes of MS-Windows ME. Microsoft's big lies about "innovation" don't fool everyone. The terms of trade are being redressed. Microsoft's shackles on software innovation will be broken.

Much of the software industry might be torn down to get rid of Microsoft. The U.S.A. will regret this unnecessary price.

Rather than let Microsoft buy the proposed wrist slap of a penalty, we should all insist that Microsoft be broken up into at least as many pieces as the pre-breakup AT&T. The proposed "settlement" is a farce. It does nothing to the Microsoft monopoly.

It even allows them to extend and strengthen their unfair monopoly. It shakes my confidence in the justice system itself. Is justice for sale?

Please consider that Microsoft is demanding that employees and relatives of employees send in comments supporting of the proposed settlement. The world sees that Microsoft is making a complete mockery of U.S. Law. Microsoft spends freely on transparent and egregious tricks to arrogantly "buy" justice. Please re-read Thomas Penfield Jackson's findings in this case. The truth matters. A real remedy is required. The proposed remedy is a despicable joke.

Steffen Hulegaard 50 Baccharis Place Tiburon, California 94920